
Monterey Chapter Newsletter American Society of Military Comptrollers

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P.O. BOX 8727, MONTEREY, CA 93943

President's Corner

As legend goes, a new year is a time for both reflection on the past year and planning for the coming year. Looking back over the past six months, our Chapter has conducted a successful fundraiser, Christmas toy drive, membership drive, and monthly training meetings. Looking to the remaining six months of my tenure, our Chapter plan is to increase our treasury with cookie dough and Laguna Seca Raceway fundraisers. A continued increase in membership is planned through monthly training meetings, recruitment exhibits at New Student Orientations, and volunteering at the annual Professional Development Institute.

Two key points I want to make about the aforementioned paragraph are:

--Nothing last year could have been accomplished without the support of our Chapter executive committee members, general membership, and management support.

--Nothing this year will be accomplished without the continued support of our Chapter executive committee members, general membership, and management support.

I once again thank each and every one of you for your help and support of our Chapter. May 1999 bring you good health, great success, and much happiness.

Bev Lemon

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The Monterey Chapter Newsletter of ASMC is available on the web at:

<http://web.nps.navy.mil/~asmc-mry/>

The National ASMC web site can be found at: <http://web.nps.navy.mil/~asmc/>

HOT

Nominations for the ASMC 1998-1999 Annual Awards Program are due at the end of January. For complete information check the Monterey Chapter web site.

GENERAL MEMBERSHIP TRAINING MEETING

GUEST SPEAKER

DR. DAVID LAMM

Academic Associate for Acquisition Curricula
and Director, CAETR, Naval Postgraduate
School

TOPIC

**“What is Acquisition Management
and How It Relates to Financial
Management”**

DATE: February 18, 1999

TIME: 11:30 AM – 1:00 PM

**WHERE: La Novia Room
Herrmann Hall
Naval Postgraduate
School**

MENU: Cafeteria Choices

Dr. David V. Lamm is an Associate Professor of Acquisition Management at the Naval Postgraduate School in Monterey, California where he instructs military officers and civilians in the fields of acquisition, contracting, program management and logistics leading to Masters degrees. He is the Academic Associate for the resident Acquisition and Contract Management (815) Curriculum and the Systems Acquisition Management (816) Curriculum. He is also the Academic

Associate for the Distance Learning Degree programs in Contract Management (835 Curriculum) and Program Management (836 Curriculum).

He holds a Bachelor of Arts (BA) degree in History and Political Science from the University of Minnesota, a Master of Business Administration (MBA) in Procurement and Contracting from The George Washington University, and a Doctor of Business Administration (DBA) in Procurement & Production and Science & Technology Management also from The George Washington University.

During his 21 years of active duty as a Naval officer, he held various positions afloat and ashore. Acquisition and contracting tours included Headquarters, Defense Logistics Agency (Contract Administration) and Headquarters, Naval Air Systems Command (NAVAIR) in the Missile Procurement Division.

He is a Fellow of the National Contract Management Association (NCMA), a Certified Professional Contracts Manager (CPCM), and a member of the Monterey Peninsula Chapters of NCMA and the American Society of Military Comptrollers (ASMC).

Upcoming Meetings

January 27	Executive Board Meeting Cypress Lounge, Embassy Suites
February 17	Executive Board Meeting
February 18	General Membership Meeting Dr. David Lamm, Acquisition Management, LaNovia Room, NPS
March 3	Executive Board Meeting
March 11	General Membership Meeting Defense Resource Management Institute Professor
April 7	Executive Board Meeting
April 8	General Membership Meeting
May 5	Executive Board Meeting

May 13	General Membership Meeting
June 1-4	National PDI, San Diego
June 9	Executive Board Meeting
June 10	General Membership Meeting Election of New Officers

Volunteering for the 1999 National Professional Development Institute (PDI)

The National PDI will be held June 1-4, 1999, in San Diego, CA. The PDI is the premier educational event in the comptrollership field. Spanning nearly a week, it provides excellent training through formal instruction, conference activities, and workshops. It also fosters a spirit of good will and fellowship among its members through networking and exchanging ideas on challenges that are common to us all. Additionally, we are able to learn the successes of individuals at other activities.

The Monterey Chapter is volunteering to help the San Diego Chapter at the PDI. Departure from Monterey will be on May 29, 1999, and return date will be June 5, 1999. Examples of required duties are stuffing registration packets, running errands, introducing speakers, etc. All volunteers will be expected to work a minimum of 16 hours during the week in order to receive a reduced registration rate. Lodging will be provided at the Admiral Kidd Bachelor Officer Quarters. Specifics regarding per diem and transportation will be based upon the number of volunteers and the contributions of the agencies that represent the Monterey Chapter.

The Monterey Chapter is soliciting names of members and prospective members who wish to volunteer at the PDI. Additionally, your desire to volunteer must be approved by your supervisor.

If you would like to volunteer, please contact your agency VP by January 30, 1999.

Help Wanted

Three important members of the executive committee have resigned their posts recently. Shirley Lindser, the Chapter Secretary, Cathy Coates, the Vice President for DLI and POM, and Melodie Pehr, Vice President for NPS/NSAMB, will continue to make their contributions in other ways. Kathy Holland is the new VP for DLIFLC & POM and Annie Pierce is the new VP for NPS/NSAMB. The Chapter is still looking for a new secretary. If you are interested in the position, please contact any of the Executive Committee Members.

Christmas Party

The 1998 Christmas Party was held in the Cypress Lounge, Embassy Suites, on December 11. Mr. Art Lomboy, Dining Manager, graciously provided a happy hour buffet with wine. Although attendance was small, a good time was had by all. Thanks, everyone, for joining us to celebrate the holidays.

"The nearest approach to immortality on earth is a government bureau."

James F. Byrnes

"There is always an easy solution to every human problem - neat, plausible, and wrong."

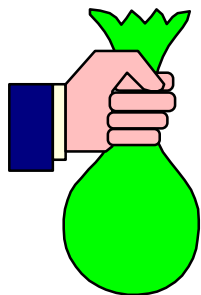
H.L. Mencken

Annual Christmas Toy Drive

Our Chapter Christmas Toy Drive was such a success this year that Randy Faulkner, VP, DMDC, had to contact the Monterey YMCA for additional names. Gifts were taken by Santa's Big Red Truck to a Greenfield, CA elementary school for 90 plus needy children. These gifts were new and wrapped (some rather eloquently) with each child's name on the gift. Where there were brothers and sisters at home, additional gifts were also given. Everyone that donated gifts and all the individuals that contributed their time and effort can feel very pleased. It would be interesting to be a "mouse in the corner," watching the children open their gifts. From listening to the radio and television, I have heard that our organization provided Christmas cheer to a small portion of those in need in Monterey and surrounding counties. There is well over 10,000 needy in Monterey county alone. It's AWESOME. So little to give but so much to gain. I'll be there again next year.

Ken Mitchell

Fund Raising



The money's in the bag

Chapter Fund Raiser

Our chapter just had one of it's most successful fund raisers. The chapter made over \$500 selling America Gift Checks. The chapter sold the books for \$10 and was awarded \$5 for each book sold. Most of the Gift Checks sold were for the Monterey area but there were books sold for Santa Clara, San Francisco, Sacramento and Las Vegas. We hope this is just a start on the

road to building a substantial treasury to support the chapter efforts in hosting mini-PDIs, providing scholarships and supporting community service activities. We are hoping to get enough volunteers to work the Laguna Seca races where the chapter stands to raise significant dollars. We are also planning to sell cookie dough, which will not only help fill our treasury but our bellies also. Another potential idea has been proposed to have a fireworks stand during the 4th of July. If you have any ideas please contact your organizations vice president.

Dave Riney

Volunteering to Work at Laguna Seca Raceway

As a fundraiser, the Monterey Chapter may have an opportunity to volunteer at the Laguna Seca Raceway during the 1999 Season. Examples of duties are traffic control, souvenir sales, concessions, etc. Volunteers will receive admission to each race when they work a committed number of hours per day per event. Laguna Seca Raceway will donate \$8.00 per hour to the Monterey Chapter for each volunteer. Additionally, a party will be held in November for all volunteers.

Volunteers are needed for the following events:

April 30- May 2	AMA Bike Races
July 9-11	WSB Bike Races
August 27-29	Historical Car Races
September 10-12	CART Indy Races
October--TBD	USC Sports Car Races

The Chapter is soliciting names of members and prospective members who wish to volunteer. Once the number of volunteers is received, we will submit our request to the Raceway for approval. The key to this fundraiser is commitment. If you volunteer to work, you must be available or send

someone in your place. This is a major requirement for approval.

If you would like to volunteer, please contact Beverly Lemon at 583-3030, beverly.lemon@dfas.mil or Sam Castellino at 583-3028, sam.castellino@dfas.mil by January 31, 1999.

TREASURER'S REPORT

NOVEMBER 1998

Beginning Balance 1 November 1998: \$870.61
Deposit: None
Total deposits: \$0
Sub-total \$870.61
Disbursements: None in November
Total disbursements: \$0
Ending Balance 30 November 1998: \$870.61

DECEMBER 1998

Beginning balance 1 December 1998: \$870.61
Deposits:
12/11/98 Deposit made by B Lemon/990.00
12/14/98 Cash/150.00 Adventure Book proceeds
Total Deposits: \$1140.00
Sub Total: \$2010.61
Disbursements:
12/4/98 #192/26.81 Couroc Tray
12/14/98 #193/209.00 T. Schreader reimbursement for
airline ticket to PDI 1998
12/14/98 #194/580.00 Adventure Book Company
12/23/98 #195/5.00 Adventure Book Company
Total Disbursement \$820.81
Ending Balance 31 December 1998: \$1189.80

Petty Cash
Cash on hand 1 November 1998: \$8.04
Deposits: No deposits
Total deposits: \$0.00
Sub-total \$8.04
Disbursements:
11/3/98 (3.60) Speaker Lunch
Total disbursed: \$3.60
Cash on hand 31 December 1998: \$4.44
Terri Schreader

MEMBER NEWS

Congratulations to Bonnie and Chris Moren on the birth of their new baby girl, Shannon.

New Executive Committee Members

Kathy Holland - VP for DLIFLC & POM

Kathy was born 17 May 1952 in Myrtle Point, OR. Her career in civil service began in 1985 as an accounting technician at NPS. From 1986 until 1990 she was a civilian payroll clerk and technician at Fort Ord. Following that she served as a medical clerk at Fort Ord from 1991 until 1993. Since 1993 she has been a budget clerk, budget assistant, and budget analyst at DLI. She has a Bachelors degree in behavioral science from National University in San Jose, CA. For hobbies, she enjoys quilting, biking, and hiking. She also performs volunteer work at the Women's Crisis Center in Salinas.

Randy Stage - Newsletter Editor

Randy is an active duty Army lieutenant colonel. In his twenty-one years of military service, he has served in a wide variety of Army and Joint assignments as a Field Artillery officer and an Operations Research/Systems Analyst. His tours include duty in Korea, Germany, and Belgium as well as at numerous CONUS sites. Currently he is assigned as an instructor at the Defense Resources Management Institute at the Naval Post-Graduate School. He graduated from the University of Nebraska and has an MBA from Oklahoma City University.

Annie Pierce - VP, NPS/NSAMB

Annie began her career with NPS as an accounting technician from 1987-91. She moved to San Diego in 1991, where she worked at Miramar, AIRPAC, and SPAWAR as a budget analyst. She returned to NSAMB in 1998, where she is currently a financial analyst. She

enjoys rollerblading, walking, and spending time with her family. An active member of ASMC for many years, Annie is the Co-Chair, Publicity Committee, for the 1999 PDI.

Positive Thinking

"For myself I am an optimist - it does not seem to be much use being anything else."

Winston Churchill

Mid-Year National Council Meeting

From November 17-19, 1998, I had the honor of attending the Mid-Year National Council Meeting in Arlington, VA. Approximately 65 Chapter Presidents as well as several of the National Executive Committee Members attended the meeting.

The meeting began on Tuesday with a Legal Workshop conducted by Matt Reres, Dep General Counsel (Ethics & Fiscal), followed by an ASMC Panel Workshop conducted by Don Fox, ASMC General Counsel, and John Raines, Former ASMC Assoc Dir for Professional Development. Both workshops addressed specific legal and ethical issues as well as chapter concerns and questions.

Wednesday brought several presentations from key DoD leadership. The DoD Budget Panel, consisted of Robert Stuart, Dep for Budget, Dep Asst Secy of the Air Force (Budget); MG Clair Gill, Dep Asst Secy of the Army for Budget, ASA(FM&C); RADM Albert Church, III, Dir, Ofc of Budget, ASN (FM&C) and Dir, Fiscal Mgt Div, Ofc of the Chief of Naval Ops; H. Lee Dixon, Asst Dep Chief of Staff for Programs & Resources Dept, HQ, USMC, and Dir, Fiscal Div, Programs & Resources; and Bruce Dauer, Dep Comptroller (Program/Budget), DoD. This workshop provided the budget status of the respective departments. The Issues in Comptrollership Panel consisted of the Honorable Robert Hale,

Asst Secy of the Air Force (FM&C); the Honorable Helen McCoy, Asst Secy of the Army (FM&C); Mrs. Gladys Commons, Acting Asst Secy of the Navy (FM&C); and BG Roger Searce, Dep Dir, DFAS. In this workshop, Mr. Hale provided the latest status of the Air Force Budget and an overview of the Defense Financial Management Certification; BG Searce provided updated information on DFAS post-consolidation, pre-validation, and MOCAS unmatched disbursements; Ms. McCoy discussed the Army Mentoring Program, the Concept for Financial Analysis Series, and series bands to provide broader individual skills; and Mrs. Commons spoke about the Navy's emphasis on training and improvements.

Additional presentations were provided by John Argodale, Chief, Finance Br, PMO, Defense Travel System, who spoke on the latest status of the Defense Travel System; Bruce Sullivan, Senior Procurement Analyst, ASA(RD&A), who spoke on the Govt Purchase Card (IMPAC); Mr. Hale and LtCol(Sel) David Robinson, Chairperson, Certification and Career Development Committee, who gave a more detailed briefing on the Defense Financial Management Certification process; Sally Brown discussed the latest Y2K status; and Dale Gaddy, Association Team, Inc., discussed ASMC Leadership.

Pat Sanders, PDI Chairperson, and CAPT Grundies, San Diego Chapter President shared plans for the 1999 PDI. Michael Willoughby, Fresh Start Surgical Gifts, Inc., shared details on the reconstructive surgery they provide to children who suffer from physical deformities caused by birth defects, accidents, abuse, or disease.

VADM Amerault, National President, conducted the business meeting. The Honorable William J. Lynn, III, Under Secretary of Defense (Comptroller), was the guest speaker at the Wednesday evening dinner.

The meeting closed with a session conducted by LTGEN(R) James McCall, ASMC Executive Director. During the session Chapter Presidents shared fundraising, recruitment, meeting, and

training ideas as well as the challenges they faced.

In closing, since I am an employee of DFAS, the key point I remember from Mr. Lynn's speech is that he would like DFAS to "Thrill the Customer". Therefore, as your Chapter President, I hope that I have thrilled you, our member, by sharing the information I gained from the Mid-Year Council Meeting. Please feel free to contact me if you would like to see the handouts or get additional details.

Bev Lemon

Minutes of November 3, 1998, ASMC General Membership Meeting

The meeting was called to order by Beverly Lemon, President. She welcomed several members of the Hawaii Chapter as well as Vice Admiral Amerault.

Minutes of Previous Meeting on Tables: Minutes were distributed on the tables. A motion was made by Cecilia Bennett and seconded by Dave Riney to approve the minutes as written. A majority vote approved the minutes.

Treasurer's Report on Tables: The Treasurer's Report was distributed on the tables. A motion was made by Cecilia Bennett and seconded by Dave Riney to approve the Treasurer's Report as written. A majority vote approved the report. Balance was \$870.61.

Unfinished Business

- At the October meeting, Cecilia Bennett suggested looking into the Awards and Scholarships program. Lisa Stahlhuth has volunteered to take on this task. She will be attending the Executive Committee Meeting on Nov 4 to share her information.
- Ballot for the following was turned into National as a Chapter vote on Oct 30:

- Life Membership: Members with 20 years of membership will continue to pay dues: VOTE was 16 Yes and 7 No
- Honorary Members: Honorary members may speak but not vote; Associate Members may both speak and vote, make motions, and hold office: VOTE was 20 Yes and 3 No
- Chapter By-law Changes Were Voted On. Changes basically removed references to Ft Ord and created description of responsibilities for Community Activities Director and Retired Member Rep. A motion was made by Dave Riney and seconded by Cecilia Bennett to accept the amendment as written. A majority vote approved the amendments.
- Member Survey—don't forget to return it completed. We're looking for your ideas.
- Membership Drive: Rainy talked about our membership plans during her introduction of the guest speaker. Some of our plans will be to have a table at incoming student day in January and International Day in May. We're also recruiting new students to transfer current membership or become new members.
- I will be attending the Mid-Year National Conference in Washington, DC, on Nov 17-19. I will be meeting with the San Diego National PDI Chairperson to discuss possibility of our chapter members volunteering to help. I will also be meeting with DFAS leadership regarding the PDI. Sam and I will be meeting with DLI/DMDC/NPS leadership when I return regarding the PDI. Vice Admiral Amerault said that he would be meeting with the Superintendent of NPS to encourage permissive TDY attendance at the PDI.

New Business

- We still need a Newsletter Editor
- I solicited member news for the Newsletter, i.e., promotions, certifications, awards, etc.
- We are once again participating in a Christmas Toy Drive for less fortunate children from a Greenfield school. If you would like to donate a gift, please see your Agency VP on

or after Nov 18 for your child's name. Flyers are on your table for more info. This is our 4th year helping this particular school.

- We are selling "America Gift Check" coupon books for next year. Great stocking stuffers. \$10 cost with \$5 going to the chapter. See our table at the end of the meeting to purchase yours. Flyers are on your tables for more info. We sold one book after the luncheon.
- As the Commissioner of Fun Loving Optimistic Golfers (FLOG), our chapter is thinking about having a golf tournament sometime after the first of the year as a fundraiser. Stay tuned for details and please let me know if anyone would like to help organize it.
- Volunteers for PDI Update: I talked to Pat Sanders this morning. She said they feel they will need our help, but they don't know exactly where yet. Most likely to introduce speakers, put up signs, etc. They have sent out letters to all their members requesting they volunteer. Sam and I will be getting with the Agency heads to work on obtaining a commitment from them for our part in the volunteering. We would like to get their total support before we commit our chapter to helping out.
- AGA needs a new President. See me if you are interested and I'll point you in the right direction of who to talk to.

UPCOMING MEETINGS

- November 4: Executive Board Meeting, NPS EEO Conf Rm
- December 11: Christmas Party at Embassy Suites Happy Hour. \$2.00 Buffet and Cash Bar with Jazz. No meeting will be conducted. Members must pay their own. Social gathering to get to know your fellow ASMC members. The buffet most likely will have fried fish, fried calamari, crab rangoon, cheese and crackers, and a small wine tasting by a local vineyard. Music and buffet begin at 5:30PM but we suggest you arrive at 4:30PM if you wish to have a seat.

- January 14: Joanne Hughes, our Retired Member Rep, will speak on Income Tax Issues. There is a questionnaire at the end of the October Newsletter that she would appreciate you filling out and returning to her. Also, if you have specific questions, please let any of the board members know so she can get the answers for you. You can also EMAIL her questions at craftyjo@aol.com
- February 11: Dr. Lamm, NPS, will speak on Acquisition Mgt
- March: Guest Speaker from DRMI

Bev Lemon solicited questions or comments or announcements from the floor? There were none.

Bev Lemon introduced Rainy Lowery, Membership Director, who talked about our membership recruitments. She then introduced our guest speaker, Vice Admiral Amerault, National President, ASMC.

Vice Admiral Amerault provided a presentation on the impending ASMC CGFM Certification Program, his logistics vision and implementation strategy, and encouraged all members to participate in the organization. He strongly encouraged attendees who were not members to join, and promoted the PDI in May. He also recognized Ms. Linda Newton, the former CINCPAC Fleet Comptroller.

Bev Lemon presented Vice Admiral Amerault with their Couroc Tray with Ollie, the Otter, logo. Photos were taken with the Executive Board Members who were present.

Bev Lemon asked for a motion to adjourn. Randy Faulkner motioned that we adjourn and Dave Riney seconded the motion. Motion carried. The meeting was adjourned at approximately 1:00PM.

Photographs were taken, after the adjournment, of the Executive Board Members present with Vice Admiral

Amerault for future publication in Armed Forces Comptroller.

Bev Lemon

Secretary's Minutes

December Executive Board Meeting

The December Executive Board meeting was called to order by Bev Lemon, President, on December 10, 1998, 1200 hours, at the DoD Center Monterey Bay.

Dave Riney, Co-DFAS Oploc/Mongoose VP, announced that the Gift Check Coupon Book sales should net the chapter over \$500. Sales will continue through December 18. He also talked about a fireworks fundraiser during July 4th that Cecilia Bennett had recommended. He said he would get details from Cecilia on it.

Karen Forbes, Co-DFAS Oploc/Mongoose VP, reported she had received all the toys for the Toy Drive from the DFAS Oploc/Mongoose donors. She also reported she had bought some of the cookie dough (being considered for a fundraiser) and it was very good.

Ken Mitchell, Community Activities Director, reported he would be picking up the toys from NPS and DLI on December 11 and delivering them to the Greenfield School. He asked if a letter from the chapter could be provided that he could present to the school management. Bev Lemon said she would prepare a letter on chapter letterhead providing our chapter address in case any of the children wanted to send thank you notes. Ken also said he would take pictures of the toys with our chapter banner.

Randy Faulkner, DMDC VP, reported that he had more donors from DMDC than he had child's names; therefore, he contacted the Monterey YMCA and received nine additional names. Bev Lemon asked Randy and Ken to write an article for the January Newsletter regarding the toy drive. They indicated they would do so.

Lisa Stahlhuth, Awards and Scholarships Director, reported that

January 31, 1999, was the deadline for the Team Achievement and Individual Awards. Chapter Leadership Awards are due February 28, 1999, and Education/National Scholarships are due March 31, 1999. Bev Lemon asked her to write something up for the January Newsletter and the new Chapter Web Site. She said she would.

LTC Randy Stage, Newsletter Editor, introduced himself as the new editor. He stated he would like to have the next newsletter out by January 31, 1999, since he will be TDY most of February.

Rainy Lowery, Membership Director, reported she had received permission to have an ASMC table at the New Student Orientation at NPS on January 4, 1999, at 6:30 PM. She asked if anyone would help her. Bev Lemon said she would be available. Rainy reported our New Web Page was up and remarked on how good Steve Hurst had done with it. Rainy reminded everyone about the Christmas Party on December 11 at the Cypress Lounge, Embassy Suites, Seaside.

Melodie Pehr, NPS/NSAMB VP, reported all toys had been received from the NPS/NSAMB donors. She stated that three of the donors were non-ASMC members.

Bev Lemon, President, provided an overview of the Mid-Year Council Meeting she attended in Washington, DC, November 17-19, 1998. She reported that she met with DFAS Executive Leadership and gained their support for volunteering and attending the 1999 PDI. Names of volunteers must be submitted to Barbara Blind, Volunteer Coordinator, by January 31, 1999.

Bev reported she had met John Stornetta, General Manager, Laguna Seca Raceway. She discussed fundraiser opportunities for the chapter with him. Mr. Stornetta provided five race dates for 1999 and stated each volunteer would be paid \$8.00 per hour. Melodie Pehr stated that this was a great way to raise funds; however, it required a lot of work and a major commitment. The Executive Committee agreed we should survey the membership to

determine interest and the number of volunteers/hours/days.

Bev stated the next General Membership Meeting would be January 14, 1999, at the DoD Center. Joanne Hughes will be speaking on Income Taxes.

Sam Castellino, Cathy Coates, Joanne Hughes, Shirley Linser, and Terri Schraeder were absent.

The meeting was adjourned at approximately 1:00 P.M.

Bev Lemon

"To be prepared for War is one of the most effectual means of preserving peace."

George Washington

Minutes of January 14, 1999, ASMC General Membership Meeting

The meeting was called to order at approximately 11:45 A.M., January 14, 1999, by Bev Lemon, President.

Since no general membership meeting was held in December 1998, no minutes were available. There was no unfinished business.

Copies of the Treasurer's Report was provided by Terri Schraeder. Treasury Ending Balance on December 31, 1998, was \$1189.80. Petty Cash Ending Balance on December 31, 1998, was \$4.44.

The following new business was discussed:

- Everyone was thanked for participating in the Toy Drive. It was very successful. DMDC had nine additional donors than they had names, so Randy Faulkner contacted the Monterey YMCA and obtained nine additional names.

- Results of the Member Surveys received revealed the following:
 - Fundraisers: Car Wash/Bake Sales/Kool Kords
 - Meeting Topics: OSD FM Leadership/Ft Ord Reuse & Community Issues
- An update on the Membership Drive provided the following:
 - Rainy Lowery gave a presentation to approximately 20 Financial Management students of NPS on December 3, 1998.
 - Dave Riney and Bev Lemon manned an ASMC Exhibit Table at the NPS New Student Orientation on January 4, 1999.
 - Rainy has arranged to Partner with USA Booth for International Day at NPS
- Bev Lemon thanked everyone for participating in the Gift Check Fundraiser which provided the chapter \$590 in funds. She announced plans for a Cookie Dough Fundraiser in March and provided details for the Laguna Seca Volunteers (see previous page for these details).
- Bev Lemon provided an update of the Mid-Year National Conference in Washington, DC, on Nov 17-19. She met with the PDI Chairperson and San Diego Chapter President; received briefings from key financial management leadership; attended workshops on ASMC issues such as legal issues, chapter ideas, etc.; and met with DFAS Executive Management concerning the PDI.
- The PDI Volunteer Survey was discussed. Members were urged to contact their Agency VP if they are interested in volunteering. As volunteers, some of the responsibilities and duties will be:
 - Facilities Committee where they would be assigned to a classroom to pass out handouts and collect critique sheets. The major benefit is you will also be able to attend the class.
 - Speaker Introductions: They need volunteers who are good speakers to introduce the Workshop Speakers. This would also allow you to attend the training

classes. Volunteers will have to get the speaker bios, introduce them, and present a gift at the end of the workshop.

- Registration Committee: We will be helping stuff registration packets on Sunday and Monday, May 30-31.
- Minimum of 16 hours volunteer time. 8 during daytime hours.
- Bev Lemon thanked everyone for attending the Christmas Party and expressed her sorrow if anyone did not find us in the lounge.
- Lisa Stahlhuth announced the Awards Deadline for Individual & Team Achievement Awards was January 31, 1999.
- Bev Lemon provided the address for the new WEBSITE:
HPPT://WEB.NPS.NAVY.MIL/~ASMC-MRY/
and gave kudos to Steve Hurst for his rapid development. Check It Out!
- The following upcoming meetings were announced. The date for the February meeting has now changed to February 18, 1999.
 - February 11: Dr. Lamm, NPS, will speak on Acquisition Mgt
 - March 11: TBA
- Bev Lemon introduced our guest speaker, Joanne Hughes, the current Monterey Chapter Retired Member Representative, who spoke on Income Taxes. Upon completion of her presentation, she thanked Joanne and gave her the Otter Couroc Tray as a token of the Chapter's appreciation for her speaking.
- Bev Lemon announced that the chapter needed a new Secretary and Cathy Coates, former VP, DLIFLC/POM, introduced Kathy Holland, her replacement. She thanked Cathy Coates for her time and effort during the first six months of the year.
- Bev Lemon solicited questions or comments regarding Minutes and/or Treasurer's Report?
- Melodie Pehr motioned the meeting be adjourned and Larry Valangeon seconded it. The meeting was adjourned at approximately 1:00 P.M.
Bev Lemon



National's News

The National website is at:
<http://web.nps.navy.mil/~asmc/>
Check it out for all the news. Some of the highlights are listed here.

Certification Program.

On June 23, 1998, the Executive Committee unanimously adopted a resolution that commits ASMC to offer a professional certification for members of the Department of Defense and the US Coast Guard. This will be an examination-based program with no "grandfathering" period. The examination will be delivered by computer and will be offered either as a stand-alone Defense Financial Management Certification Examination or as a specialty examination given in conjunction with the three-part Certified Government Financial Manager (CGFM) Examination offered by the Association of Government Accounts. Additional information on the Defense Financial Management Certification Examination will be available in correspondence from the Certification Committee, the *Armed Forces Comptroller* and at the Mid-Year National Council Meeting. The key personnel in developing and directing the certification examination development are LTC(Sel) David Robinson, USMC, at (703) 697-6712 and Frank Arcari, Associate Director for Professional Development, at (800) 462-5637. You should appoint one member of your executive committee to be your point of contact for certification. This can be an additional duty for an existing committee member or a new position.

PDI '99 - San Diego.

The San Diego chapter, the National PDI Committee and our meeting planning firm are all working hard to prepare an outstanding event on June 1-4, 1999. The PDI will feature a self-contained service day, a service day program for defense agencies in addition to DFAS, reduced class size, and information on the Certification Program. It will be an exciting event. Join us as we sail into the 21st Century. Further information will be mailed to all members in February.

Mini (Local) PDI's.
Shown below is the listing we have of local training events for the remainder of calendar year 1998 and the Spring of 1999.

<u>Date</u>	<u>Chapter</u>	POC <u>Telephone No.</u>
Feb 11	Charlestowne	Sharon Arnold (843) 746-6563
Feb 11	Gateway	JoAnn Buettner (314) 260-3095
Feb 11	Los Angeles	Kaye Ferguson (310) 363-1701
Feb 16	Washington	Janet Vernon (202) 685-6708
Feb 23-24	Rio Grand	Rick DeMello (505) 846-7046
Feb 24-25	Indianapolis	Gloria Moon (317) 510-3228
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The latest issue of the *Armed Forces Comptroller* has detailed information about the membership campaign, as well as a new version of the membership application. Please encourage your members to participate in the campaign. Help us reach a goal of 20,000 members by the year 2000.

AGA News

AGA's National Executive Committee (NEC) voted in September to establish an Academy for Government Accountability to serve as the central clearinghouse for government financial management education.

The academy will work toward:

- *Developing, marketing and delivering courses to prepare individuals in the government financial management community to take the CGFM Examinations.
- *Developing, marketing and delivering courses, seminars, workshops and conferences to provide continuing professional education for CGFMs and non-CGFMs.
- *Developing and establishing partnerships with educational resource providers to provide government financial management courses that support the educational requirements of government financial managers.
- *Working with colleges and universities to develop curriculum for government financial management courses.
- *Identifying and obtaining funding for government financial management research.
- *Providing grants to academics and members of the government financial management community to undertake relevant and timely research projects on subjects related to government financial management.

The academy will assist in maintaining quality assurance for all continuing professional education under its purview. This will include seeking such external certifications as those provided by the National Association of State Boards of Accountancy (NASBA), the National Certification Commission (NCC) and the National Commission for Certifying Agencies (NCCA).

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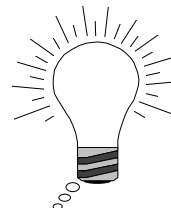
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Have a great idea? No one will listen to it at work. We are always looking for contributions for the feature article. If you have a good idea that no one at work will listen to, write an article on it! When it's published you can show the boss. Maybe he'll like it better when he sees it in print.

Feature Article

The Latest in Performance Budgeting: The Government Performance and Results Act (GPRA)

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Signed by President Clinton in 1993, the Government Performance and Results Act (GPRA: Public Law 103-62) is the latest government-wide initiative to mandate performance budgeting. (see Appendix) The term "performance budgeting" is used here in the broadest sense to describe any

budgeting system that attempts to measure performance and link resources with results. The GPRA's ambitious agenda includes: improving executive and congressional decision-making, promoting better internal management of government programs, and increasing accountability to taxpayers. The GPRA is expected to be fully operational by the year 2000. Understanding GPRA mandates may soon be critical to obtaining budgets for programs within the Department of Defense (DoD).

GPRA's Four-Step Plan

To accomplish its ambitious agenda, the GPRA adopts a four-step plan. The first step requires all federal agencies to submit a five-year "strategic plan" that contains general goals and objectives for all major functions and operations. The law requires agencies to update their strategic plan every three years. The second step is for agencies to develop an annual "performance plan" that expresses agency goals in a measurable form-or alternatively-that includes descriptive statements of minimally acceptable and successful programs. The third step is for agencies to deliver annual "performance reports" to the President and the Congress. Performance reports are agency report cards designed to measure the success of programs by comparing actual results with performance goals. The final step is to crosswalk budgets and performance.

Beginning with the 1999 budget cycle, all federal agencies submitted their first five-year strategic plans to OMB in which they attempted to identify their goals, along with their first annual performance plans that described how those goals would be implemented. DoD submitted the May 1997 Report of the Quadrennial Defense Review as its first GPRA "strategic plan." (see www.defenselink.mil/pubs/qdr) DoD's first "performance plan" is Appendix J of the 1998 Annual Defense Report to the President and the Congress. (see www.dtic.mil/execsec/) The Department's stated performance goals include:

Goal 1-Shape the international environment through DoD engagement programs and activities.

Goal 2-Shape the international environment and respond to the full spectrum of crises by providing appropriately sized, positioned, and mobile forces.

Goal 3-Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities.

Goal 4-Prepare now for an uncertain future by exploiting the Revolution in Military Affairs to transform U.S. forces for the future.

Goal 5-Maintain highly ready joint forces to perform the full spectrum of military activities.

Goal 6-Fundamentally reengineer the Department and achieve a 21st century infrastructure by reducing costs while maintaining required military capabilities across all DoD mission areas.

Beginning in 2000, agencies will grade themselves in annual "performance reports" that document how well they met the prior year's performance plans: "The first...report on program performance for fiscal year 1999...is due by March 31, 2000." (OMB [1998]) Meanwhile, OMB has taken its first steps in developing an overall federal government performance plan from individual agencies' performance plans. In the future these overall performance plans will routinely be submitted to the Congress along with the President's budget.

The ultimate goal of this latest performance budgeting initiative (the GPRA) is to link resources to results-or to relate data on program performance to appropriation account structures-to form the basis for improved budget and resource allocation decisions. According to OMB: "[e]ventually, the annual performance plan will be integrated with the agency's budget request...[to] display...the amount of funding being applied to achieve the performance goals...,[and will] crosswalk between performance goals and the specific budget account(s) funding those goals." (OMB [1998] p.21) Thus annual

performance plans will soon become an integral part of an agency's budget request.

Some Background on Performance

Budgeting

According to a noted authority on public budgeting, the budgeting process itself can serve three different functions—a **planning** function, a **management** function, and a **control** function (Shick, 1966). While traditional budgets have a control or "input" focus, performance budgets have more of a planning and management, or output, focus. In fact, performance budgets generally emphasize two key elements: a) "outputs"—and the link between inputs and outputs, or the production function; and b) "outcomes"—or the satisfaction (or "utility") of customers and other stakeholders. If—as currently envisioned in the GPRA—budget requests are ultimately tied to outcomes, this implies a concurrent shift in emphasis of federal budgeting and accounting systems from principally a control function, to more of a planning and management function.

The planning function of budgeting emphasizes inter-program choices—for example, decision-making at the Executive and Congressional level. The management function of budgeting emphasizes intra-program choices—for example, the internal management of government programs. The control function of budgeting focuses on meeting legal, administrative or other restrictions on the use of public funds to ensure "accountability to taxpayers."

Control budgets focus on tracking expenditures on inputs principally to ensure fiscal accountability and to eliminate the misappropriation of public funds. Unfortunately, the burden of following ever-expanding volumes of legal budgetary rules and administrative regulations (often established to address unique—low probability, but high profile—cases of "waste, fraud or abuse") can interfere with the planning and management functions of budgets.

Although a control budgets' input bias is designed to emphasize accountability to taxpayers, there is no guarantee that control budgeting and accounting systems necessarily encourage cost-minimizing behavior. Administrative, financial, and legal budgetary constraints can interfere with efforts and incentives to achieve economic efficiency. In turn, this can undermine the internal management of government programs.

Overcoming Perverse Incentives

A well-known and widespread example of the power of budgeting to influence incentives is commonly referred to as "use-it-or-lose-it." Many funds appropriated by Congress cannot be transferred between line items (inputs) without formal approval. Moreover, many funds not spent (or obligated) by the end of the fiscal year are lost—hence, "use-it-or-lose-it."

Not only do managers lose any cost-savings not spent by the end of the fiscal year, but uncovering one-time cost savings can seriously degrade an organization. If managers do not expend all available resources their budgets may be cut the following year because they demonstrated they could get along with less. It is also common for cost savings in one operation to be channeled to other operations that run "over budget." As emphasized by Melese and Stroup [1996], these conventional adjustments to one-time cost savings run the risk of rewarding operations that are over budget, while punishing those that come under budget. As a consequence, public managers rapidly learn to expend their budgets by the end of the fiscal year ("use-it-or-lose-it")—often focusing more on inputs than outputs—and are tempted to spend more time defending budgets than identifying productivity improvements that might lead to cost savings. Any budget allocation process that inadvertently punishes cost savings and rewards inefficiency is in serious need of repair.

The so-called "revolution in business affairs" can be viewed as

offering some alternatives to address this problem. Among those alternatives are outsourcing—or relying on external markets; insourcing through revolving funds—or relying on internal markets (see Melese & Stroup [1996]); and performance budgeting. Performance budgeting initiatives such as the GPRA attempt to shift managers' attention from a budget-maximizing "input" or "control" focus, to a customer—or stakeholder—oriented focus on "outputs" and "outcomes." Maroni [1998], Principal Deputy Under Secretary of Defense (Comptroller) emphasizes that DoD has been hard at work integrating GPRA mandates within the Department's existing performance budgeting framework—PPBS.

PPBS and GPRA

Introduced in 1965 by President Johnson as a government-wide performance budgeting reform, PPBS introduced an explicit decision-making framework to the executive budget formulation process. The three phases of PPBS include: **Planning**—the definition and examination of alternative goals and objectives; **Programming**—the definition and analysis of alternative actions to achieve those goals together with their resource implications; and, **Budgeting**—the formulation, justification to the Congress, execution and control of the budget.

The "Planning" phase of PPBS parallels the GPRA's five-year "strategic plan," which contains general goals and objectives for all major functions and operations. The agencies annual GPRA "performance plan" expresses agency goals in a measurable form—or alternatively—includes descriptive statements of minimally acceptable and successful programs. The agencies annual GPRA "performance reports" are agency report cards designed to measure the success of programs by comparing actual results with performance goals. The final step of GPRA is to crosswalk budgets and performance, something PPBS was explicitly designed to do in the Programming phase.

The fundamental contribution of PPB was the middle P, "Programming," which explicitly linked the Planning process to the Budgeting process—activities that had often occurred independently in the past. It is useful to think of "Programming" as a form of constrained optimization—an attempt to maximize national security subject to a budget constraint.

The Programming phase was originally designed to encourage an analytical, multiyear approach to decision-making, utilizing cost-benefit analysis and adopting a "systems" view. The multiyear aspect of PPBS encourages discounting, intertemporal trade-offs, and an awareness of the future implications of current decisions (life-cycle costs, etc.). The application of "systems analysis" emphasizes the complete accounting of all relevant costs associated with a decision—including positive or negative externalities. A critical component of PPBS is the "program structure" where an attempt is made to link measurable inputs ("program elements"), and intermediate outputs or activities ("program categories") to long-term goals and objectives. (Shick [1966])⁷

PPBS is the performance budgeting framework used in DoD's overall budget formulation process. The annual budget for national defense derived through PPBS is included in the President's yearly budget submission to the Congress. Although current sentiment appears to be that, for the most part, PPBS fulfills GPRA requirements (see Maroni [1998]), many challenges remain in fully implementing GPRA mandates, both within and outside DoD.

The Challenge to Successful Performance Budgeting

Current challenges faced by DoD, and other agencies striving to improve performance, can partly be traced to inefficiencies generated by too heavy a focus on the control function of budgeting. Performance budgeting initiatives such as the GPRA represent attempts to shift the focus back to planning and management functions.

However, the case for successful performance budgeting in general, and GPRA in particular, rests on three implicit assumptions:

- (a) **goal congruence**—or that agencies can get agreement among their multiple (sometimes conflicting) stakeholders to develop relevant and useful "strategic plans" (GPRA);
- (b) **measurement**—or that goals can be quantified so that success in achieving the goals—or "outcomes"—can be checked in "performance reports" (GPRA); and
- (c) **motivation**—or that budgeting systems can be redesigned to tie budgets to outcomes, and that this offers sufficient incentive for organizations to perform.

In linking resources to results, the last step of performance budgeting requires a shift from holding managers accountable for inputs, to holding them accountable for outputs and "outcomes." This incentive problem plays an important part in the drive towards internal and external "market reforms," and also in PA&E's recent experiment with so-called "performance contracts." (Tighe [1998])

Integrating Reforms Under the GPRA

Today, the GPRA is the leading initiative among a host of federal management and financial reforms. Noteworthy among these complementary contemporary reforms are: the Chief Financial Officers (CFO) Act of 1990; the Government Management Reform and Federal Acquisition Streamlining Acts (GMRA and FASA) of 1994; and the Information Technology Management Reform Act (ITMRA) of 1996—also known as the "Clinger-Cohen Act." As the CFO Council has emphasized, costs associated with implementing this flurry of contemporary federal reforms could be reduced if this reform activity were integrated within the GPRA:

"Existing planning, budgeting, program evaluation and fiscal accountability processes should be

integrated with GPRA requirements to ensure consistency and reduce duplication of effort. In addition, other management improvement efforts...should be incorporated into the GPRA framework to capitalize on the...availability of key information and to improve responsiveness to customers and other stakeholders." (GAO [1996] p. 44)

It appears that a thorough understanding of GPRA mandates could soon be critical to obtaining budgets for many programs within DoD. Fortunately, as Maroni [1998] recently concluded: "[t]he Department is well on its way to achieving the goal of full integration of GPRA into the PPBS.

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APPENDIX

The Historical foundations of the GPRA include a series of four major government-wide performance budgeting initiatives attempted since World War II. These are: 1) The Budget and Accounting Procedures Act (BAPA) of 1950, a federal "performance budget" submission framework championed by the first Hoover Commission; 2) The Planning-Programming-Budgeting System (PPBS) implemented in 1965 under President Johnson and today an integral part of the DoD budget formulation process; 3) Management by Objectives (MBO) initiated in 1973 by President Nixon; and 4) Zero-Base Budgeting (ZBB) initiated in 1977 by President Carter. The GPRA's ambitious agenda includes three primary objectives. The first is to "improve congressional decision-making by providing...information on...the relative effectiveness and efficiency of...program spending." The second objective is to "improve [the] internal management of the Federal Government." Finally, the GPRA aims to "improve...accountability...service quality, and customer satisfaction," and "improve the confidence of the American people...by holding agencies accountable for achieving...results." (GPRA [1993])
